

LEGISLATURE OF NEBRASKA
NINETY-SIXTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 495

Introduced by Stuhr, 24; Baker, 44; Bohlke, 33; Brashear, 4;
Bromm, 23; Connealy, 16; Coordsen, 32; Dierks, 40;
Engel, 17; Hartnett, 45; Hudkins, 21; Jones, 43;
Kremer, 34; Matzke, 47; D. Pederson, 42; C.
Peterson, 35; Price, 26; Raikes, 25; Robak, 22;
Schellpeper, 18; Schimek, 27; Schmitt, 41;
Schrock, 38; Suttle, 10; Thompson, 14; Vrtiska, 1;
Wickersham, 49

Read first time January 15, 1999

Committee: Education

A BILL

1 FOR AN ACT relating to education; to amend sections 79-1003 and
2 79-1018.01, Revised Statutes Supplement, 1998; to adopt
3 the Education and Career Preparation Act; to change
4 school finance provisions; and to repeal the original
5 sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 9 of this act shall be known
2 and may be cited as the Education and Career Preparation Act.

3 Sec. 2. The Legislature finds that technology is
4 changing the educational and training needs of employees. These
5 changes are found in all areas of employment and are directly
6 related to Nebraska remaining competitive in a global economy.
7 These changes raise employer expectation of prospective employees
8 from all educational levels, including those with a baccalaureate
9 degree. Education and career preparation is critical because
10 employees must possess math, science, and communication skills as
11 well as the employability and technological skills needed for
12 employment and continued lifelong learning. Therefor, there is an
13 urgent need for quality career preparation programs in the
14 secondary schools of Nebraska in order to: (1) Provide students
15 with the opportunity to leave high school with employment skills;
16 (2) balance the dimensions of work, family, and community; (3)
17 encourage development of the skills needed to develop and operate
18 small businesses; and (4) prepare those students who wish to obtain
19 advanced degrees in specific careers with the necessary
20 qualifications to do so. Career preparation is an investment in
21 the future of our state.

22 Sec. 3. The purpose of the Education and Career
23 Preparation Act is to focus on the academic, technical, and
24 employment skills necessary for success in a career through
25 programs such as agricultural education, business education, career
26 guidance and counseling, family and consumer sciences, industrial
27 technology education, marketing education, health occupations
28 education, and diversified occupations designed to assist secondary

1 students in (1) recognizing the range of occupations for which
2 special skills are required, (2) acquiring the knowledge and skills
3 necessary for employment in a specific occupation or cluster of
4 related occupations, (3) acquiring the skills necessary to
5 successfully balance the dimensions of work, family, and community,
6 (4) gaining employment experience in chosen fields through
7 supervised work-based experiences, and (5) acquiring the knowledge
8 and skills necessary for successful entry into a career preparation
9 program at a postsecondary educational institution.

10 Sec. 4. (1) Beginning with school fiscal year 1999-00,
11 the Legislature shall appropriate funds to be distributed by the
12 State Board of Vocational Education pursuant to subsections (2)
13 through (4) of this section to local systems, as defined in section
14 79-1003, annually on or before October 15. It is the intent of the
15 Legislature to appropriate six million dollars for school fiscal
16 year 1999-00 and for fiscal year 2000-01 and each fiscal year
17 thereafter the amount of the previous year's appropriation
18 increased by the percentage growth in identified participating
19 students plus the basic allowable growth rate in section 79-1025.
20 Local systems shall use such funds to carry out the Education and
21 Career Preparation Act.

22 (2) Each local system shall receive five one-hundredths
23 of one percent of the appropriation as base funds for each approved
24 career preparation program provided by such system.

25 (3) Each local system shall receive a pro rata share of
26 the remainder of the appropriation based on the number of students
27 enrolled in approved career preparation programs provided in such
28 system during the previous school fiscal year.

1 (4) The State Board of Vocational Education may
2 distribute up to five percent of the amount appropriated under this
3 section for statewide leadership and support services needed to
4 keep career preparation programs and teachers current in the
5 requirements and trends of business and industry. Leadership and
6 support services include, but are not limited to: Career guidance
7 and counseling; curriculum development and dissemination;
8 integration of academic and career preparation curriculum
9 frameworks; professional development activities; articulation with
10 postsecondary education; education of prospective teachers,
11 administrators, and staff; student leadership activities;
12 cooperative education work-based learning; research and development
13 necessary for meeting new and emerging occupations; and
14 establishing and utilizing local advisory committees for business
15 and education partnerships.

16 Sec. 5. (1) To receive the allotted funds, each local
17 system shall complete an application identifying those career
18 preparation programs that will be supported. Allowable services
19 and activities include, but are not limited to:

20 (a) Program improvement activities such as:

21 (i) Acquisition of instructional equipment similar to
22 that found in business and industry;

23 (ii) Professional development for improving the skill
24 level of instructional staff;

25 (iii) Improvement of career guidance and counseling
26 activities;

27 (iv) Development or adaptation of curricular materials to
28 strengthen math, science, critical thinking, and communication

1 skills as they relate to vocational skills;

2 (v) Implementation of applied academic courses; and

3 (vi) Collaboration with employers to strengthen
4 vocational development course contents and techniques;

5 (b) Career preparation program operation and maintenance;

6 (c) Developing articulation activities with postsecondary
7 education; and

8 (d) Developing activities and programs for the inclusion
9 of special populations.

10 (2) Each local system shall comply with the requirements
11 of this section and with any requirements of the State Department
12 of Education pursuant to section 7 of this act for eligibility for
13 future years.

14 Sec. 6. Any amounts not utilized for the purposes
15 stipulated under subsection (4) of section 4 of this act shall be
16 reallocated for distribution as provided under subsections (2) and
17 (3) of section 4 of this act in the following school fiscal year.

18 Sec. 7. The State Department of Education shall be
19 responsible for the evaluation, data gathering, assessment, and
20 accountability system design of the Education and Career
21 Preparation Act, including followup of students beyond graduation
22 at one-year, three-year, and five-year intervals.

23 Sec. 8. Within thirty days after the effective date of
24 this act, the State Board of Vocational Education shall appoint and
25 convene an advisory committee to provide recommendations to the
26 State Board of Vocational Education relating to the administration
27 of the Education and Career Preparation Act. The membership of the
28 advisory committee shall consist of (1) the Commissioner of

1 Education or his or her designee, (2) one representative each from
2 business, industry, and labor, (3) the program manager for
3 vocational education, (4) one school administrator and two teachers
4 currently involved in vocational education programs, (5) the
5 executive director of the Nebraska Community College Association,
6 and (6) a vocational education teacher educator.

7 Sec. 9. The State Board of Vocational Education shall
8 adopt and promulgate rules and regulations for the implementation
9 of the Education and Career Preparation Act and establish
10 monitoring procedures for determining the results of the act.

11 Sec. 10. Section 79-1003, Revised Statutes Supplement,
12 1998, is amended to read:

13 79-1003. For purposes of the Tax Equity and Educational
14 Opportunities Support Act:

15 (1) Adjusted general fund operating expenditures means
16 general fund operating expenditures as calculated pursuant to
17 subdivision (21) of this section minus the transportation allowance
18 and, for purposes of state aid paid in school fiscal year 1998-99
19 and each school fiscal year thereafter, minus the special education
20 allowance;

21 (2) Adjusted valuation means the assessed valuation of
22 taxable property of each district in the state, for school fiscal
23 years before school fiscal year 1998-99, and of each local system
24 in the state, for school fiscal year 1998-99 and each school fiscal
25 year thereafter, adjusted pursuant to the adjustment factors
26 described in section 79-1016. Adjusted valuation means the
27 adjusted valuation for the property tax year ending during the
28 school fiscal year immediately preceding the school fiscal year in

1 which the aid based upon that value is to be paid. For purposes of
2 determining the local effort rate yield pursuant to section
3 79-1015.01, adjusted valuation does not include the value of any
4 property which a court, by a final judgment from which no appeal is
5 taken, has declared to be nontaxable or exempt from taxation;

6 (3) Allocated income tax funds means the amount of
7 assistance paid to a local system pursuant to section 79-1005.01 as
8 adjusted by the minimum levy adjustment pursuant to section
9 79-1008.02;

10 (4) Average daily attendance of a student who resides on
11 Indian land means average daily attendance of a student who resides
12 on Indian land from the most recent data available on November 1
13 preceding the school fiscal year in which aid is to be paid;

14 (5) Average daily membership means the average daily
15 membership for grades kindergarten through twelve attributable to
16 the district for school fiscal years before school fiscal year
17 1998-99, and for school fiscal year 1998-99 and each school fiscal
18 year thereafter, attributable to the local system, as provided in
19 each district's annual statistical summary and includes the
20 proportionate share of students enrolled in a public school
21 instructional program on less than a full-time basis;

22 (6) Base fiscal year means (a) for school district
23 reorganizations which occurred during the 1995-96 school fiscal
24 year or the 1996-97 school fiscal year, the second school fiscal
25 year following the school fiscal year in which the reorganization
26 occurred or (b) for school district reorganizations or unifications
27 which occur during or after the 1997-98 school fiscal year, the
28 first school fiscal year following the school fiscal year in which

1 the reorganization or unification occurred;

2 (7) Board means the school board of each school district;

3 (8) Categorical funds means funds limited to a specific
4 purpose by federal or state law, including, but not limited to,
5 Title I funds, Title VI funds, federal vocational education funds,
6 federal school lunch funds, Indian education funds, Head Start
7 funds, funds from the Education Innovation Fund, and funds from the
8 School Technology Fund;

9 (9) Consolidate means to voluntarily reduce the number of
10 school districts providing education to a grade group and does not
11 include dissolution pursuant to section 79-498;

12 (10) Department means the State Department of Education;

13 (11) District means any Class I, II, III, IV, V, or VI
14 school district;

15 (12) Ensuing school fiscal year means the school fiscal
16 year following the current school fiscal year;

17 (13) Equalization aid means the amount of assistance
18 calculated to be paid to a local system pursuant to sections
19 79-1008.01 to 79-1022;

20 (14) Fall membership means the total membership in
21 kindergarten through grade twelve attributable to the district for
22 school fiscal years before school fiscal year 1998-99, and for
23 school fiscal year 1998-99 and each school fiscal year thereafter,
24 attributable to the local system, as reported on the fall school
25 district membership reports for each district pursuant to section
26 79-528;

27 (15) Fiscal year means the state fiscal year which is the
28 period from July 1 to the following June 30;

1 (16) Formula students means (a) for state aid certified
2 pursuant to section 79-1022, the sum of fall membership from the
3 school fiscal year immediately preceding the school fiscal year in
4 which the aid is to be paid, multiplied by the average ratio of
5 average daily membership to fall membership for the second school
6 fiscal year immediately preceding the school fiscal year in which
7 aid is to be paid and the prior two school fiscal years, and
8 tuitioned students from the school fiscal year immediately
9 preceding the school fiscal year in which the aid is to be paid and
10 (b) for final calculation of state aid pursuant to section 79-1065,
11 the sum of average daily membership and tuitioned students from the
12 school fiscal year immediately preceding the school fiscal year in
13 which the aid was paid;

14 (17) Free lunch and free milk student means a student who
15 qualified for free lunches or free milk from the most recent data
16 available on November 1 of the school fiscal year immediately
17 preceding the school fiscal year in which aid is to be paid;

18 (18) Full-day kindergarten means kindergarten offered by
19 a district for at least one thousand thirty-two instructional
20 hours;

21 (19) General fund budget of expenditures means the total
22 budgeted expenditures for general fund purposes as certified in the
23 budget statement adopted pursuant to the Nebraska Budget Act,
24 except that for purposes of the limitation imposed in section
25 79-1023 and the calculation of Class I total allowable general fund
26 budget of expenditures minus the special education budget of
27 expenditures pursuant to section 79-1083.03, the general fund
28 budget of expenditures does not include any special grant funds,

1 exclusive of local matching funds, received by a district subject
2 to the approval of the department;

3 (20) General fund expenditures means all expenditures
4 from the general fund;

5 (21) General fund operating expenditures means the total
6 general fund expenditures minus categorical funds, tuition paid,
7 transportation fees paid to other districts, adult education,
8 summer school, community services, redemption of the principal
9 portion of general fund debt service, and transfers from other
10 funds into the general fund. For state aid certified pursuant to
11 section 79-1022 and budget limitations certified pursuant to
12 section 79-1026 for school fiscal year 1998-99 and each school
13 fiscal year thereafter, general fund operating expenditures shall
14 equal the general fund operating expenditures from the most
15 recently available complete data year, adjusted by the average
16 annual change in each district's general fund operating
17 expenditures for the most recently available complete data year and
18 the two school fiscal years immediately preceding the most recently
19 available complete data year. For final calculation of state aid
20 pursuant to section 79-1065, general fund operating expenditures
21 shall be as reported in the annual financial reports from the most
22 recently available complete data year;

23 (22) Income tax liability means the amount of the
24 reported income tax liability for resident individuals pursuant to
25 the Nebraska Revenue Act of 1967 less all nonrefundable credits
26 earned and refunds made;

27 (23) Income tax receipts means the amount of income tax
28 collected pursuant to the Nebraska Revenue Act of 1967 less all

1 nonrefundable credits earned and refunds made;

2 (24) High school district means a school district
3 providing instruction in at least grades nine through twelve;

4 (25) Limited English proficiency student means a student
5 with limited English proficiency from the most recent data
6 available on November 1 of the school fiscal year preceding the
7 school fiscal year in which aid is to be paid;

8 (26) Local system means a Class VI district and the
9 associated Class I districts or a Class II, III, IV, or V district
10 and any affiliated Class I districts or portions of Class I
11 districts. The membership, expenditures, and resources of Class I
12 districts that are affiliated with multiple high school districts
13 will be attributed to local systems based on the percent of the
14 Class I valuation that is affiliated with each high school
15 district;

16 (27) Low-income child means a child under nineteen years
17 of age living in a household having an annual adjusted gross income
18 of fifteen thousand dollars or less for the second calendar year
19 preceding the beginning of the school fiscal year for which aid is
20 being calculated;

21 (28) Most recently available complete data year means the
22 most recent single school fiscal year for which the annual
23 financial report, fall school district membership report, annual
24 statistical summary, Nebraska income tax liability by school
25 district for the calendar year in which the majority of the school
26 fiscal year falls, and adjusted valuation data are available;

27 (29) Regular route transportation means the
28 transportation of students on regularly scheduled daily routes to

1 and from the attendance center;

2 (30) Reorganized district means any district involved in
3 a consolidation and currently educating students following
4 consolidation;

5 (31) School year or school fiscal year means the fiscal
6 year of a school district as defined in section 79-1091;

7 (32) Special education means specially designed
8 kindergarten through grade twelve instruction pursuant to section
9 79-1125, and includes special education transportation;

10 (33) Special education allowance means the amount of
11 special education, state ward, ~~and~~ accelerated or differentiated
12 curriculum program receipts, and Education and Career Preparation
13 Act receipts included in local system formula resources under
14 subdivisions (7), (8), (16), ~~and~~ (17), and (18) of section
15 79-1018.01. For state aid certified pursuant to section 79-1022,
16 the special education allowance shall be adjusted by the average
17 annual change in each district's special education allowance for
18 the most recently available complete data year and the two school
19 fiscal years immediately preceding the most recently available
20 complete data year. For the final calculation of state aid
21 pursuant to section 79-1065, the special education allowance shall
22 be as reported in the annual financial reports from the most
23 recently available complete data year;

24 (34) Special grant funds means the budgeted receipts for
25 grants, including, but not limited to, Title I funds, Title VI
26 funds, funds from the Education Innovation Fund, interfund loans,
27 insurance settlements, and reimbursements to county government for
28 previous overpayment, that have been approved by the state board;

1 (35) State aid means the amount of assistance paid to a
2 district pursuant to the Tax Equity and Educational Opportunities
3 Support Act;

4 (36) State board means the State Board of Education;

5 (37) State support means all funds provided to districts
6 by the State of Nebraska for the general fund support of elementary
7 and secondary education;

8 (38)(a) Transportation allowance means the lesser of (i)
9 the general fund expenditures for regular route transportation and
10 in lieu of transportation expenditures pursuant to section 79-611
11 in the most recently available complete data year, but not
12 including special education transportation expenditures or other
13 expenditures previously excluded from general fund operating
14 expenditures, except that for state aid certified pursuant to
15 section 79-1022 and budget limitations certified pursuant to
16 section 79-1026, the general fund operating expenditures for
17 regular route transportation and in lieu of transportation
18 expenditures shall equal such expenditures from the most recently
19 available complete data year, adjusted by the average annual change
20 in each district's such expenditures for the most recently
21 available complete data year and the two school years immediately
22 preceding the most recently available complete data year or (ii)
23 the number of miles traveled in the most recently available
24 complete data year by vehicles owned, leased, or contracted by the
25 district for the purpose of regular route transportation multiplied
26 by four hundred percent of the mileage rate established by the
27 Department of Administrative Services pursuant to section 81-1176
28 as of January 1 of the most recently available complete data year

1 added to in lieu of transportation expenditures pursuant to section
2 79-611 from the same data year or, for state aid certified pursuant
3 to section 79-1022 and budget limitations certified pursuant to
4 section 79-1026, the in lieu of transportation expenditures for
5 this subdivision shall equal such expenditures from the most
6 recently available complete data year, adjusted by the average
7 annual change in each district's such expenditures for the most
8 recently available complete data year and the two school fiscal
9 years immediately preceding the most recently available complete
10 data year.

11 (b) For the final calculation of state aid pursuant to
12 section 79-1065, the transportation allowance shall be the lesser
13 of (i) the general fund expenditures for regular route
14 transportation and in lieu of transportation expenditures pursuant
15 to section 79-611 as reported in the annual financial reports from
16 the most recently available complete data year, but not including
17 special education transportation expenditures or other expenditures
18 previously excluded from general fund operating expenditures, or
19 (ii) the number of miles traveled in the most recently available
20 complete data year by vehicles owned, leased, or contracted by the
21 district for the purpose of regular route transportation multiplied
22 by four hundred percent of the mileage rate established by the
23 Department of Administrative Services pursuant to section 81-1176
24 as of January 1 of the most recently available complete data year
25 added to in lieu of transportation expenditures pursuant to section
26 79-611 from the same data year; and

27 (39) Tuitioned students means students in kindergarten
28 through grade twelve of the district whose tuition is paid by the

1 district to some other district or education agency.

2 Sec. 11. Section 79-1018.01, Revised Statutes
3 Supplement, 1998, is amended to read:

4 79-1018.01. Local system formula resources include other
5 actual receipts available for the funding of general fund operating
6 expenditures as determined by the department for the most recently
7 available complete data year, except that receipts from the
8 Community Improvements Cash Fund and receipts acquired pursuant to
9 the Low-Level Radioactive Waste Disposal Act shall not be included.
10 Other actual receipts include:

11 (1) Public power district sales tax revenue;

12 (2) Fines and license fees;

13 (3) Tuition receipts from individuals, other districts,
14 or any other source except those derived from adult education;

15 (4) Transportation receipts;

16 (5) Interest on investments;

17 (6) Other miscellaneous noncategorical local receipts,
18 not including receipts from private foundations, individuals,
19 associations, or charitable organizations;

20 (7) Special education receipts, excluding grant funds
21 received pursuant to section 9-812;

22 (8) Special education receipts and non-special education
23 receipts from the state for wards of the court and wards of the
24 state;

25 (9) All receipts from the temporary school fund;

26 (10) Motor vehicle tax receipts received on or after
27 January 1, 1998;

28 (11) Pro rata motor vehicle license fee receipts;

1 (12) Other miscellaneous state receipts excluding revenue
2 from the textbook loan program authorized by section 79-734;

3 (13) Impact aid entitlements for the school fiscal year
4 which have actually been received by the district to the extent
5 allowed by federal law;

6 (14) All other noncategorical federal receipts;

7 (15) All receipts pursuant to the enrollment option
8 program under sections 79-232 to 79-246;

9 (16) Receipts under the federal Medicare Catastrophic
10 Coverage Act of 1988 as authorized pursuant to sections 43-2510 and
11 43-2511 but only to the extent of the amount the local system would
12 have otherwise received pursuant to the Special Education Act; ~~and~~

13 (17) Receipts for accelerated or differentiated
14 curriculum programs pursuant to sections 79-1106 to 79-1108.03; and

15 (18) Receipts under the Education and Career Preparation
16 Act.

17 For state aid certified pursuant to section 79-1022,
18 other actual receipts shall equal each local system's other actual
19 receipts from the most recently available complete data year,
20 adjusted by the average annual change in each local system's other
21 actual receipts for the most recently available complete data year
22 and the two school fiscal years immediately preceding the most
23 recently available complete data year. For final calculation of
24 state aid pursuant to section 79-1065, other actual receipts shall
25 be as reported in the annual financial reports from the most
26 recently available complete data year.

27 Sec. 12. Original sections 79-1003 and 79-1018.01,
28 Revised Statutes Supplement, 1998, are repealed.